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14 August 1997

Via Courier

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, Room 222
Washington, DC 20554

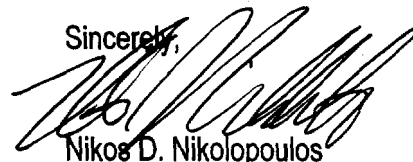
Re: Notice of Ex Parte Presentation Concerning the Proposed Merger of British Telecommunications plc and MCI Communications Corporation (GN Docket No. 96-245)

Dear Mr. Caton:

Pursuant to Section 1.206(a) of the Commission's Rules, 47 C.F.R. § 1.1206 (1997), Esprit Telecom Group plc ("Esprit") hereby provides an original and one copy of the attached letter in connection with the above-captioned proceeding. This letter summarizes the concerns raised by Esprit during a teleconference call between Kerry E. Murray of the Commission's staff and Michael Potter, President of Esprit, David Reibel, General Counsel of Esprit and Nikos Nikolopoulos, Director of Regulatory Affairs for Esprit. This letter also follows on the *Ex Parte* filing submitted by Esprit on June 11, 1997.

Please associate this filing with GN Docket No. 96-245 and date-stamp the enclosed extra copy and return it via post.

Sincerely,



Nikos D. Nikolopoulos
Director of Regulatory Affairs
Esprit Telecom Group plc

Cc: Peter Cowhey, Chief, International Bureau
Kerry Murray, Esq.
International Transcription Services, Inc.

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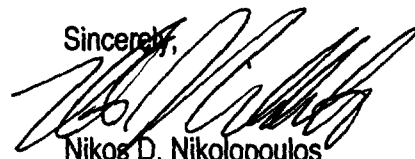
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Sincerely,


Nikos D. Nikolopoulos
Director of Regulatory Affairs
Esprit Telecom Group plc

Cc: Peter Cowhey, Chief, International Bureau
Kerry Murray, Esq.
International Transcription Services, Inc.



14 August 1997

Peter Cowhey, Chief
International Bureau
Federal Communications Commission
2000 M Street, N.W., Room 830
Washington, D.C. 20554

Re: *Ex Parte Presentation Concerning the Proposed Merger of British Telecommunications plc and MCI Communications Corporation (GN Docket No. 96-245)*

Dear Mr. Cowhey:

In an *Ex Parte* filing dated June 10, 1997, Esprit Telecom Group plc ("Esprit") noted that BT's "proposed alliance with Telefonica, the dominant carrier in Spain, could adversely affect access by new entrants to the key Rioja cable system between the U.K. and Spain, of which BT and Telefonica are the landing parties, and which is an important route for traffic between the Americas and Spain." Since that time, Esprit's experience in Spain has revealed that the proposed merger will indeed exacerbate the already daunting difficulties and delays in obtaining landing rights for capacity on international cables systems, such as Rioja, and obtaining cost-oriented backhaul facilities for Rioja as well as other cable systems.¹ Coupled with the fact that BT and Telefonica are now taking concrete steps towards consummating their alliance,² Esprit believes that there is an inexorable threat that BT and Telefonica will be able to discriminate against US carriers on the UK-Spanish route.

In order to guard against this eventuality, Esprit submits that the Commission should condition any grant of approval of the proposed merger on the availability of non-discriminatory access to Rioja capacity and to backhaul facilities (at both ends) for any cable system between the UK and Spain, and to any replacement, supplementary, or upgraded facilities related thereto. In addition, and further to the teleconference on August 8, 1997 with Kerry Murray of the International Bureau, Esprit requests that the Commission clarify that its "no special concessions policy" would not only apply to the direct US to Spanish route, but also to the indirect US-UK-Spanish route.

If you should have any questions, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Nikos D. Nikolopoulos".

Nikos D. Nikolopoulos
Director of Regulatory Affairs
Esprit Telecom Group plc

Cc: Kerry Murray, Esq.

¹ Spain has, to date, failed to ensure cost-orientated charges for backhaul facilities as required under the European Union's Open Network Provision (ONP) Directives.

² For example, BT has already begun the process of selling its Spanish operations.